




**El Paso Police Department  
Grant Review Follow-Up Project  
No. P2013-06**

Prepared by the  
Internal Audit Office  
May 9, 2013



**INTERNAL AUDIT OFFICE**

**DATE:** May 9, 2013  
**TO:** Joyce Wilson, City Manager  
**FROM:** Edmundo S. Calderon, CIA, CGAP, CRMA, Chief Internal Auditor   
**SUBJECT:** Follow-Up Review of the EPPD Grant Assessment Project Memo

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As you have requested, the Internal Audit Office has conducted a follow-up review of the *El Paso Police Department Grant Division Assessment Memo* dated November 7, 2011. Our objective was to provide you with an update on the six (6) observations included in the Original Memo.

The follow-up review covered the following six observation areas mentioned in the Original Memo:

- Grade
- Training
- Reimbursement/ Draw Downs
- Staff – EPPD Grants Division
- Communication
- Grant Monitoring/Budget Updates

Please review the Follow-Up Memo at your convenience. If you have any questions, please do not hesitate to contact us.

cc: Greg Allen, Chief of Police  
David Almonte, Deputy City Manager  
Carmen Arrieta-Candelaria, Chief Financial Officer  
Financial and Audit Oversight Committee

**Mayor**  
John F. Cook

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**City Manager**  
Joyce A. Wilson



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**OBJECTIVES**

At the request of the City Manager, the Internal Audit Office performed a follow-up review of the *El Paso Police Department Grant Division Assessment Memo* dated November 7, 2011. We conducted a review of the corrective actions taken by EPPD Management on the 6 Observations identified in the Original Memo dated November 7, 2011.

**BACKGROUND**

As of February 2013, the EPPD Grants Division currently manages 38 grants totaling \$15,198,952.00.

The EPPD Grants Division currently has a Program Manager, 1 Senior Grant Accountant, 2 staff Accountants, 1 Accounting Clerk, and a Secretary to oversee the 38 grants. One staff Accountant oversees 18 High Intensity Drug Trafficking Area (HIDTA) grants. While the other staff Accountant oversees the remaining 20 Federal and State grants.

**OBSERVATIONS**

**Original Observation 1**

**Grade**

Based on the interviews performed with EPPD Program Managers and review of any support documentation that was provided, we scored each grant with a 'grade' in order to gauge the condition of the grants.

We assigned the grants a subjective 'grade' based on the topics covered during the interviews. The grading scale consists of: *Very Good*, *Good*, and *Poor* ratings. The grade is subjective and none of the grants can be considered perfect. The grants scored with a *POOR* rating are currently managed by new Program Managers who are correcting deficiencies with the grants.

See ATTACHMENT #2 on the *El Paso Police Department Grant Division Assessment Memo* dated November 7, 2011.

**Current Observation**

Due to the amount of outstanding grant drawdowns due the City of El Paso, the Internal Audit Office is unable to complete an assessment of current grant portfolio of the El Paso Police Department. Without completing a detailed review for each individual grant, we cannot offer any assurances on a rating of the grants. The Grant Division is unable to provide a detailed Aging Schedule of each grant. All that is available is a list of outstanding balances. Please refer to Observation #3 for our assessment of the outstanding balance of grant drawdowns due the City of El Paso.

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**Recommendation**

We recommend that the El Paso Police Department continue to improve its Grant Accounting function, specifically in the areas of processing of grant drawdowns. The current outstanding balance for grant drawdowns should be maintained at a manageable level in order to provide an Aging Schedule for each grant.



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**Original Observation 2**

**Training**

We interviewed 10 Program Managers managing the 37 grants identified above. Six out of 10 (or 60%) Program Managers interviewed have not attended grant monitoring training. Although 6 Program Managers have not attended grant management training, it does not signify that their grants are managed incorrectly. In fact, two Program Managers who have not taken any formal grant monitoring training have created monitoring procedures which could be used as an example for the other Program Managers to follow.

The remaining 4 Program Managers have attended training provided by the respective granting agency.

All of the current Program Managers and their supervisors should attend grant monitoring specific training.

See ATTACHMENT #3 on the *El Paso Police Department Grant Division Assessment Memo* dated November 7, 2011.

**Current Observation**

Based on the support documentation reviewed for grant related trainings attended by Program Managers, Chief of Police Office personnel, and other EPPD personnel; training has improved since the *El Paso Police Department Grant Division Assessment Memo* dated November 7, 2011.

The EPPD Grant Division has hosted two trainings since November 2011 for Program Managers. The topic for the first training held was an overview of the purchasing function ("Purchasing 101") held on July 26, 2012. The topic for the second training held was a "Grants Compliance" training held on September 6, 2012.

- 12 of the 14 (or 86%) Program Managers identified attended the "Purchasing 101" training on July 26, 2012. In addition to the 14 Program Managers, another 26 EPPD personnel (Officers and civilians) attended the training.
- 8 of the 14 (or 57%) Program Managers identified attended the "Grants Compliance" training on September 6, 2012. In addition to the 14 Program Managers, another 11 EPPD personnel (Officers and civilians) attended the training.
- In addition, 5 EPPD personnel (2 Officers and 3 civilians) attended additional grant related trainings.

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Each of the 14 Program Managers responsible for the 38 grants reports to an Assistant Chief or the Administrative Services Manager of the Police Chief's Office. Of the 4 Assistant Police Chiefs and 1 Administrative Services Manager, only the Administrative Services Manager has attended a grants related training.

**Recommendation**

We recommend that grants related training should be attended by the 4 Assistant Police Chiefs and the Administrative Services Manager who oversee grants. In addition, grants related trainings should be required of Program Managers and support personnel on a recurring basis.



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**Original Observation 3**

**Reimbursement/Drawdowns**

There is a total of \$2,811,512.05 in pending reimbursements from the granting agencies funding the 37 grants mentioned above.

The outstanding reimbursement amount was obtained from PeopleSoft-Financials balances as of September 30, 2011. Please note that some reimbursements may have been "in-transit" during September and October or some expenses may have been encumbered and not yet expensed. Therefore the balances reflected may be higher or lower.

See ATTACHMENT #4 on the *El Paso Police Department Grant Division Assessment Memo* dated November 7, 2011.

**Current Observation**

Based on the data provided by the EPPD Grants Division, the pending reimbursement amounts appears to have increased since the *El Paso Police Department Grant Division Assessment Memo* dated November 7, 2011.

We compared the pending reimbursement amount (as of February 2013) to the amount stated in the Original Memo dated November 2011. Since November 2011, the pending reimbursement amount has increased by \$166,183.00.

<b>Comparison of Pending Reimbursement Amounts</b>	
	<b>Amount</b>
As of February 2013	\$2,977,695.00
As of November 2011	\$2,811,512.00
<b>Difference - increase</b>	<b>\$166,183.00</b>

We have included a summary of the pending reimbursement amount (as of February 2013) for each of the 38 grants. See ATTACHMENT #1.

**Recommendation**

We recommend that the El Paso Police Department's Grants Division concentrate its efforts on processing outstanding receivables due on grant drawdowns in order to reduce their balances. This effort should be maintained on a continuous basis to reduce the outstanding balance to a reasonable level.

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**Original Observation 4**

**Staffing – EPPD Grants Division**

Currently the EPPD Grants Division currently has two fulltime staff accountants to oversee the 37 grants. One is HIDTA grant funded while the other is funded by the General Fund.

Based on our interviews with EPPD personnel and the vast quantity of documentation required to properly manage the 37 grants, it appears that another staff accountant is required to help distribute the workload. The HIDTA funded accountant is paid overtime on an as needed basis in order to assist with the management of non-HIDTA grants. An additional staff accountant would allow the division to have sufficient staff resources to actively monitor and perform self-assessments of the grants they manage. The additional accountant position is exclusive of the Senior Grant Planner position which is currently in the process of being filled.

**Current Observation**

Based on the support documentation reviewed for current staffing levels, the levels have improved since the *El Paso Police Department Grant Division Assessment Memo* dated November 7, 2011.

As of May 8, 2013, the Grants Division has 6 staff members to oversee the 38 grants they currently manage.

1. Grant Project Manager
2. Senior Grant Accountant
3. HIDTA Fiscal Administrator (Accountant)
4. Associate Accountant
5. Stonegarden Grant Accounting Clerk
6. Secretary

**Recommendation**

With the increased staffing level, the EPPD Grant Division should dedicate staff time to reduce the amount of outstanding grant drawdown balances.



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**Original Observation 5**

**Communication**

There appears to be communications issues between the EPPD Grants Division and the Financial Services Grants Division. During our interviews, several instances have been brought up of reimbursements not being requested from the granting agency in a timely manner. A grant (Stonegarden FY09) was in arrears for more than a year. Reimbursement is current as of May 2010 and reimbursement for Stonegarden FY10 (approx \$641,172.24) cannot be made until FY09 is closed. Stonegarden FY11 will be funded beginning in 2012. In other instances granting agencies have contacted the respective Program Managers to inquire why no reimbursements have been processed.

Both divisions must agree on the type of documentation that is to be provided for each grant when requesting reimbursements. Each granting agency has different documentation requirements to support the reimbursement amounts requested by the City of El Paso. This would help clarify any misunderstandings that may exist between both divisions.

In addition, both divisions must agree and adhere on the dates when deliverables from each division are due to each other. For example, reoccurring deadline dates should be established to submit grant expenditures for reimbursement. Additionally, deadlines (or turnaround times) must be established regarding when reimbursements are to be processed after supporting documentation has been submitted.

Reimbursement requests should not be allowed to become in arrears for any significant length of time. There is a potential liability to the City if the granting agency denies or suspends reimbursements due to the City not requesting reimbursements in a timely manner.

**Current Observation**

Based on the information reviewed, we determined that full responsibility for drawdowns was transferred to the EPPD Grants Division in August 2012.

Since the EPPD Grants Division has been given full ability to conduct its own drawdowns, the amount of outstanding drawdowns has increased when compared to the amount reported on the *El Paso Police Department Grant Division Assessment Memo* dated November 7, 2011. The EPPD Grants Division claims they have been hampered to perform drawdowns by the PeopleSoft Financial System reimplementation. The PeopleSoft Financial System reimplementation took place in September 2012 and had initially caused reporting and financial data issues for City Departments.

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**Recommendation**

We recommend that the El Paso Police Department work with appropriate Financial Services Department and Information Technology personnel to help address any drawdown issues. A concentrated effort must be initiated to reduce the amount of outstanding grant drawdown balances.

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**Original Observation 6**

**Grant Monitoring/Budget Updates**

Based on interviews with the Program Managers, it appears that due to the current workload the non-HIDTA funded accountant cannot provide monthly status updates in a timely manner (or not at all). It appears from the Program Managers that the HIDTA funded accountant can more consistently provide timely budget status updates. .

**Current Observation**

The current balance on outstanding grant drawdowns has increased since our original review dated November 7, 2011. There appears to be a lack of a grant Monitoring System within the Police Department. As of February 2013, 38 grants are being maintained the EPPD's Grants Division, with 14 Program Managers reporting to a respective Assistant Police Chief. The lack of a Grant Monitoring System has contributed to the balance of grant drawdowns to increase.

**Recommendation**

Consideration should be given on creating a Grant Monitoring System based out of the Chief of Police's Office. With 14 grant Program Managers reporting to an Assistant Police Chief or Administrative Services Manager, creating a Grant Monitoring System would assist in improving the collection of grant reimbursements from the funding Granting Agencies and inspecting operations.



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**CONCLUSION**

Based on our review of the EPPD's Grants Division, we have determined the following:

1. The amount of outstanding grant drawdown due the City of El Paso has increased by \$166,183.00 since our original review on November 7, 2011. The current outstanding grant drawdowns due is \$2,977,695.00 as of February 2013.
2. The Grants Division is unable to provide an Aging Schedule of the amount due from the various Granting Agencies providing funds to the El Paso Police Department. The Grants Division is only able to provide a schedule of balances due from the various Granting Agencies.
3. The increase in the amount of outstanding grant drawdowns due to the City of El Paso and lack of an Aging Schedule has restricted the Internal Audit Office from assessing the current grant portfolio as previously done on November 7, 2011.
4. There is a need for creating a Grant Monitoring System within the El Paso Police Department. The Grant Monitoring System could provide periodic inspections of the grant portfolio regarding performance and reimbursements.
5. There is a need for the EPPD Grants Division to increase its effort in collecting outstanding grant drawdowns. The funds used to pay the grant expenditures have been paid from the General Fund and needs to be collected from the Granting Agencies involved.

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**ATTACHMENT #1 - As of February 2013**

No	Type	Name	Total Award	Outstanding Reimb Amount	% Outstanding *
1	HIDTA	STING FY11	\$1,307,606.00	(\$53,983.00)	4.1%
2	HIDTA	INTEL FY11	\$168,576.00	(\$1,225.00)	0.7%
3	HIDTA	STASH HOUSE FY11	\$498,029.00	(\$4,019.00)	0.8%
4	HIDTA	MULTI FY11	\$205,910.00	(\$363.00)	0.2%
5	HIDTA	ENTERPRISE FY11	\$24,435.00	(\$6,883.00)	28.2%
6	HIDTA	TRANSPORTATION FY11	\$23,975.00	(\$3,785.00)	15.8%
7	HIDTA	FUGITIVE FY11	\$21,708.00	\$0	0.0%
8	HIDTA	DHE STING FY11	\$87,900.00	(\$4,994.00)	5.7%
9	HIDTA	DHE STASH HOUSE FY11	\$57,000.00	(\$6,456.00)	11.3%
10	HIDTA	STING FY12	\$1,305,804.00	(\$622,569.00)	47.7%
11	HIDTA	INTEL FY12	\$190,576.00	(\$51,972.00)	27.3%
12	HIDTA	STASH HOUSE FY12	\$499,350.00	(\$109,781.00)	22.0%
13	HIDTA	MULTI FY12	\$205,408.00	(\$39,577.00)	19.3%
14	HIDTA	ENTERPRISE FY12	\$24,007.00	(\$8,521.00)	35.5%
15	HIDTA	TRANSPORTATION FY12	\$24,468.00	(\$3,906.00)	16.0%
16	HIDTA	FUGITIVE FY12	\$18,880.00	(\$255.00)	1.4%
17	HIDTA	DHE STING FY12	\$80,000.00	\$0	0.0%
18	HIDTA	DHE STASH HOUSE FY12	\$45,000.00	\$0	0.0%
19	OCDETF	OCDETF	\$15,000.00	\$0	0.0%
20	COPS	COPS Technology FY08	\$1,215,890.00	(\$14,258.00)	1.2%
21	COPS	COPS Technology FY09	\$1,250,000.00	\$0	0.0%
22	DOJ/BJA	Recovery Act JAG FY09	\$1,394,046.00	(\$5,755.00)	0.4%
23	DOJ/BJA	JAG FY10 Edward Byrne Memorial	\$157,789.00	(\$395.00)	0.3%
24	TXDPS	Operation Stonegarden FY11	\$1,469,932.00	(\$3,377.00)	0.2%
25	ABTPA	Auto Theft Prevention Task Force 13	\$1,648,083.00	(\$504,422.00)	30.6%
26	OOG/CDJ	General Victim Services FY13	\$226,180.00	\$20,782.00	9.2%
27	OOG/CDJ	SHOCAP FY13	\$29,885.00	\$7,806.00	26.1%
28	DOJ/BJA	Edward Byrne Memorial JAG FY11	\$136,435.00	\$0	0.0%
29	DOJ/BJA	Edward Byrne Memorial JAG FY12	\$118,682.00	\$0	0.0%
30	TXDPS	UASI LETPA FY10	\$1,200,000.00	(\$856,938.00)	71.4%
31	TXDPS	Local Border Security Program FY12	\$235,000.00	(\$198,680.00)	84.5%
32	DOJ	Bullet Proof Vest FY12	\$12,276.00	\$0	0.0%
33	TXDPS	EP SHSP UASI LE FY11	\$510,708.00	(\$4,472.00)	0.9%
34	TXDPS	EP SHSP UASI FY11	\$257,523.00	\$0	0.0%



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**ATTACHMENT #1 (continued)**

<b>No</b>	<b>Type</b>	<b>Name</b>	<b>Total Award</b>	<b>Outstanding Reimb Amount</b>	<b>% Outstanding *</b>
<b>35</b>	TXDPS	SHSP LETPA FY11	\$30,523.00	\$0	0.0%
<b>36</b>	TXDPS	SHSP LETPA FY10	\$120,368.00	(\$120,331.00)	100.0%
<b>37</b>	TXDPS	Buffer Zone Protection Program FY10	\$380,000.00	(\$379,521.00)	99.9%
<b>38</b>	DOJ/BJA/ DRUG FREE	PACT360 Community Education Program	\$2,000.00	\$155.00	7.8%
<b>TOTALS</b>			<b>\$15,198,952.00</b>	<b>(\$2,977,695.00)</b>	<b>19.6%</b>